GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:3486
ANSWERED ON:13.03.2003
MOBILISATION OF FUNDS FOR PROJECTS UNDER NRVY
UMMAREDDY VENKATESWARLU

Will the Minister of RAILWAYS be pleased to state:

(a) the sources from which railways is mobilising the funds for implementation of projects under the National Rail Vikas Yojana;

(b) the details of the terms and condition thereof;

(c) whether the railways is planning to adopt the escrow mechanism to pay back loan;

(d) if so, the details and advantages thereof; and

(e) the time by which the projects are likely to start generating revenue?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI BANDARU DATTATRAYA)

(a) to (e): A Statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF UNSTARRED QUESTION NO. 3486 BY PROF. UMMAREDDY VENKATESWARLU TO BE ANSWERED IN LOK SABHA ON 13.03.2003 REGARDING MOBILISATION OF FUNDS FO PROJECTS UNDER NRVY.

(a) & (b) : The funds for National Rail Vikas Yojana are being sourced from a mix of budgetary and non-budgetary resources. The non-budgetary resources will comprise of multilateral funding from agencies like the World Bank and ADB, loans from domestic financial institutions and public- private partnerships. Non-budgetary funding will be arranged by Rail Vikas Nigam Limited, a Company set up by the Ministry of Railways. Terms and conditions will be decided between the Company and the lenders.

(c) & (d) : Yes, Sir. In respect of the financially viable projects taken up by the Company for strengthening of the Golden Quadrilateral, the incremental railway receipts will be earmarked to the extent of debt servicing requirement over the period of amortization. This arrangement will give comfort to the lender and enhance the credit thereby enabling the Company to raise debt at competitive rates.

(e) : The projects in National Rail Vikas Yojana, except the mega bridges, are planned for completion in a period of five years. The mega bridges are expected to be completed in a time frame of six to seven year.